

DATA CENTER COMMUNITY PROTECTION AND RESPONSIBLE DEVELOPMENT ACT OF 2026

A BILL

To protect residential communities, electricity and water customers, and workers from uncompensated impacts of large data centers; establish timely and transparent review procedures; require investment in host communities; and support responsible development of computing infrastructure.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "**Data Center Community Protection and Responsible Development Act of 2026.**"

SEC. 2. PURPOSES.

The purposes of this Act are -

1. to ensure that data center owners and operators bear the costs reasonably attributable to their facilities;
2. to protect residential communities from excessive noise, water shortages, and electric-system reliability risks;
3. to establish predictable review deadlines without requiring approval of unsafe or incomplete projects;
4. to expand access to quality employment, apprenticeships, and training in host communities;
5. to provide measurable community benefits; and
6. to establish enforceable national minimum protections while preserving stronger State, Tribal, and local requirements.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) ADMINISTRATOR. - The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) SECRETARY. - The term "Secretary" means the Secretary of Energy.

(3) COVERED DATA CENTER. - The term "covered data center" means a facility or integrated campus principally used for electronic data processing, storage, or computational services, including artificial intelligence, cloud computing, and digital asset computation, that -

(A) has a designed maximum electric demand of at least 20 megawatts, including electricity supplied by on-site generation; or

(B) has a designed on-site water withdrawal or purchased-water demand of at least 100,000 gallons per day.

(4) INTEGRATED CAMPUS. - Facilities shall be treated as one campus when they are contiguous or functionally connected and share infrastructure or coordinated development. Common ownership, affiliated entities, leasing arrangements, or separate permit applications shall not defeat aggregation.

(5) MATERIAL EXPANSION. - The term means development that causes a facility to become covered or increases its approved electric or water capacity by at least 20 percent. Related expansions within five years shall be aggregated.

(6) OPERATOR. - The term means a person exercising operational control over a covered data center. An owner and operator shall be jointly responsible for compliance, except as otherwise allocated by this Act without reducing public protections.

(7) RESIDENTIAL PROPERTY. - The term means property lawfully occupied by a dwelling or approved for residential development before the data center application is determined complete.

(8) LOCAL WORKER. - The term means a worker whose primary residence is within the applicable radius of the campus boundary, measured by straight-line distance without regard to State boundaries. Temporary lodging provided principally to satisfy a hiring goal shall not establish primary residence.

(9) APPLICABLE REGULATOR. - The term means the Federal, State, Tribal, or local body with lawful authority over the relevant utility service, rate, or permit.

SEC. 4. FEDERAL ADMINISTRATION AND COMMUNITY PROTECTION CERTIFICATE.

(a) Lead Agency. - The Secretary shall administer a single application process for a community protection certificate under this Act.

(b) Agency Responsibilities. -

1. The Administrator shall determine compliance with water-resource and noise requirements.
2. The Secretary, in consultation with the Federal Energy Regulatory Commission and applicable regulators, shall determine compliance with electricity-cost and reliability requirements.
3. The Secretary of Labor shall determine compliance with workforce requirements.
4. The Secretary shall administer community-benefit contributions and coordinate final certificate decisions.

(c) Certificate Required. - Beginning on the effective date established under section 14, no person may commence construction of a new covered data center or a material expansion without a certificate.

(d) Separate Operating Authorization. - A construction certificate shall not authorize operation. Operation may begin only after the Secretary verifies completion of measures required before operation, with written concurrence from each responsible agency.

(e) State and Tribal Administration. - A State or Tribal government may elect to administer an equivalent program approved by the Secretary. The Federal Government shall administer this Act where no approved program exists. No State or Tribal government shall be required to administer the program.

(f) Other Approvals. - A certificate does not replace any approval required under another Federal, State, Tribal, or local law.

SEC. 5. RESIDENTIAL SETBACKS AND NOISE PROTECTION.

(a) Minimum Setbacks. - For new construction -

1. a building housing data-processing equipment shall be at least 300 feet from the nearest residential property line; and
2. an outdoor cooling unit, generator, transformer, or comparable noise-producing installation shall be at least 500 feet from that property line.

Enclosing equipment shall not exempt it from applicable noise standards.

(b) National Noise Standards. - Within 12 months after enactment, the Administrator shall establish enforceable standards for facility-generated noise at residential property lines. Such standards shall -

1. establish separate daytime and more protective nighttime limits;
2. address continuous, intermittent, tonal, and low-frequency noise;
3. specify measurement periods, weather conditions, background-noise adjustments, and cumulative impacts;
4. cover generator testing and routine maintenance; and
5. establish narrowly limited emergency exceptions, with reporting and mitigation requirements.

(c) Independent Assessment. - An independent qualified professional approved by the Administrator shall conduct -

1. a preconstruction acoustic assessment under anticipated maximum operating conditions;
2. testing during commissioning and within 90 days after commercial operation begins; and
3. additional testing following material equipment changes or substantiated complaints.

The operator shall pay assessment costs through an agency-administered fee or approved independent arrangement.

(d) Continuing Compliance. - The operator shall maintain monitoring appropriate to the facility's risk, publish compliance results, and correct violations. A setback shall not substitute for compliance with noise limits.

(e) Variances. - A setback reduction may be approved only after public notice and a written finding, supported by independent evidence, that alternative design provides equal or greater residential protection. Noise standards may not be waived through a setback variance.

SEC. 6. ELECTRICITY COSTS AND RELIABILITY.

(a) Full Cost Responsibility. - An operator shall pay -

1. all charges for electricity and utility services supplied to its facility; and
2. the reasonable incremental costs attributable to serving the facility, including generation capacity, transmission, distribution, interconnection, balancing, and reliability measures.

(b) Allocation of Shared Costs. - Costs for infrastructure serving multiple beneficiaries shall be allocated according to independently verified cost causation and benefits. A covered data center shall neither shift its attributable costs to other customers nor be charged twice for the same obligation.

(c) Financial Security. - Before a utility incurs project-specific obligations, the operator shall provide financial assurance sufficient to cover reasonably foreseeable unpaid infrastructure obligations arising from cancellation, reduced demand, default, or closure.

Acceptable assurance may include advance payment, an irrevocable letter of credit, a performance bond, or another instrument approved by the applicable regulator. An unsecured promise shall not alone satisfy this requirement.

(d) Service Agreements. - Electric-service arrangements shall include appropriate minimum-payment obligations, contract duration, and exit charges reflecting attributable costs. Financial assurance shall be reviewed annually.

(e) Verification. - The Secretary shall require an independent cost-allocation and reliability assessment before certification. An applicable regulator may supply the assessment under an approved program; otherwise, the Secretary shall arrange it.

(f) Federal Rate Coordination. - The Federal Energy Regulatory Commission shall implement this section for rates and practices within its jurisdiction. The Secretary shall enforce operator obligations outside that jurisdiction without requiring State participation.

No certificate shall authorize a payment or service arrangement inconsistent with an applicable Federal tariff. Any necessary tariff approval must precede operating authorization.

(g) Reliability. - Certification shall require adequate supply and delivery capability under reasonably foreseeable peak-demand and outage conditions. Demand-response commitments may be credited only to the extent they are enforceable, technically feasible, and independently verified.

(h) Reconciliation. - Actual costs and demand shall be reviewed annually. Material underpayments shall be collected, and overpayments shall be credited or refunded.

SEC. 7. WATER AND ENERGY IMPACT ASSESSMENT.

(a) Required Assessment. - An applicant shall submit an independently verified assessment addressing -

1. annual, seasonal, and peak electricity demand;
2. water withdrawals, purchases, consumption, discharge, and sources;
3. drought conditions and competing household, agricultural, ecological, and industrial needs;
4. cumulative demand from existing facilities and reasonably foreseeable approved or pending projects;
5. effects on utility infrastructure, reliability, and customer rates;
6. on-site generation, backup equipment, associated emissions, and required permits;
7. feasible cooling, water-reuse, efficiency, and demand-management alternatives; and
8. construction, operation, emergency, and closure impacts.

(b) Mitigation Plan. - The applicant shall identify necessary mitigation, responsible parties, funding, completion dates, measurable performance standards, and financial assurance.

(c) Required Findings. - A certificate may issue only if the responsible agencies find that -

1. lawful and adequate water and electricity supplies are available;
2. the project will not materially impair essential drinking-water service or electric reliability;
3. attributable infrastructure costs are funded;
4. applicable environmental and noise requirements will be met; and
5. mitigation obligations are enforceable.

(d) Timing of Mitigation. - Measures necessary to prevent construction impacts shall be completed before affected construction begins. Measures necessary for safe operation shall be completed before operation begins.

(e) Unmitigable Impacts. - An application shall be denied when required findings cannot be supported. An agreement merely to study or negotiate a material unresolved impact shall not satisfy this section.

(f) Continuing Conditions. - Operating conditions shall include enforceable drought-response measures, use limits where necessary, and reassessment after material changes.

SEC. 8. TIMELY REVIEW AND PUBLIC PARTICIPATION.

(a) Completeness Review. - Within 30 days after receipt, the Secretary shall determine whether an application is complete or provide an itemized explanation of missing information.

(b) Decision Deadline. - The Secretary shall approve, conditionally approve, or deny a complete application within 120 days.

(c) Coordinated Review. - Participating agencies shall conduct reviews concurrently where practicable and use existing assessments that satisfy this Act.

(d) Public Participation. - The Secretary shall -

1. publish the application and nonconfidential supporting materials;
2. provide at least 30 days for public comment;
3. notify affected local and Tribal governments and reasonably identifiable nearby residents; and
4. hold at least one accessible public hearing for each new covered campus.

The final decision shall address material comments.

(e) Limited Extensions. - The Secretary may extend the decision period once, by no more than 60 days, upon a public written finding identifying a material unresolved issue, the work required, and a completion schedule.

An applicant-requested pause or court-ordered stay shall not count toward the deadline. Requests for supplemental information shall not otherwise restart the clock.

(f) No Automatic Approval. - Failure to meet a deadline shall not authorize construction or operation. The applicant may seek an order compelling agency action under applicable law.

(g) Other Laws. - This deadline governs the certificate under this Act. It shall not shorten review required by another law or deem another permit granted.

SEC. 9. LOCAL EMPLOYMENT AND WORKFORCE DEVELOPMENT.

(a) Workforce Plan. - Each applicant shall submit a plan developed with regional workforce organizations, community colleges, registered apprenticeship programs, and other appropriate training providers.

(b) Construction Goals. - The plan shall establish goals that -

1. at least 50 percent of paid construction labor hours are performed by workers residing within 50 miles; and
2. at least 15 percent of all paid construction labor hours are performed by workers residing within 10 miles.

The 15-percent goal is included within the 50-percent goal. Contractor and subcontractor hours shall be included.

(c) Permanent Employment Goals. - Separate goals of 50 percent within 50 miles and 15 percent within 10 miles shall apply to annual average full-time-equivalent on-site employment, including regularly assigned contracted workers.

(d) Mandatory Actions. - Operators shall -

1. advertise available positions through local workforce channels;
2. provide reasonable opportunities for local applicants to apply and interview;
3. support paid training and registered apprenticeships;
4. prohibit recruitment fees charged to workers;
5. maintain accurate workforce records; and
6. report construction and permanent employment separately.

(e) Apprenticeship Participation. - At least 15 percent of construction labor hours in occupations for which registered apprenticeship programs are available shall be performed by registered apprentices, subject to applicable supervision and safety ratios.

The Secretary of Labor may approve a documented shortage exception after good-faith requests to qualified programs.

(f) Labor-Market Adjustments. - The Secretary of Labor may adjust geographic hiring goals based on documented worker availability, occupation requirements, commuting patterns, and recruitment results. Decisions shall be public and reconsidered annually.

(g) Fair Access. - Residency goals shall not require dismissal of existing workers, exclusion of qualified nonlocal applicants, or unlawful discrimination. No penalty shall arise solely from failure to achieve a geographic percentage when required recruitment, training, and reporting obligations have been fulfilled.

(h) Enforcement. - False reporting or failure to perform mandatory workforce obligations shall require corrective action and may result in civil penalties.

SEC. 10. HOST-COMMUNITY BENEFITS.

(a) Annual Contribution. - An operating covered data center shall contribute \$1 for each megawatt-hour of electricity consumed on site, including self-generated electricity.

The rate shall be adjusted annually for inflation beginning two years after the effective date.

(b) Separate Obligation. - This contribution shall be additional to taxes, utility payments, mitigation obligations, and financial assurances. It shall not be recovered from other electricity or water customers.

(c) Community Accounts. - The Secretary shall establish a restricted account for each host community or affected group of communities. Participating State, Tribal, or local governments may administer an account under an approved plan; otherwise, the Secretary shall administer it.

(d) Eligible Uses. -

1. At least 50 percent shall support energy-bill assistance or home-efficiency improvements for low- and moderate-income households in affected communities.
2. Remaining funds may support drinking-water resilience, local workforce training, or emergency preparedness associated with the facility.
3. Administrative expenses shall not exceed 5 percent of annual receipts.

(e) Allocation. - Funding shall prioritize demonstrated exposure to project impacts and household need. Eligibility shall not depend solely on proximity to the facility.

(f) Accountability. - Community plans shall receive public comment. Receipts, expenditures, beneficiaries in aggregate, and results shall be published annually. Contributions shall not purchase waivers of legal protections.

SEC. 11. DISCLOSURE, AUDITS, AND COMPLAINTS.

(a) Public Reporting. - Operators shall report quarterly electricity and water use, peak demand, noise compliance, mitigation performance, and community-benefit payments.

(b) Workforce Reporting. - Annual reports shall identify construction labor hours, permanent employment, wages by occupational category, apprenticeship participation, and progress toward hiring goals.

(c) Independent Audits. - Compliance shall be audited at least every two years by an independent auditor selected or approved by the responsible agency and funded by the operator.

(d) Confidentiality. - Agencies shall protect personal information and specifically identified security-sensitive or legally protected commercial information. Aggregate resource use, compliance findings, penalties, and community contributions shall remain public.

(e) Complaints. - The Secretary shall maintain an accessible complaint process, acknowledge complaints within 10 business days, and provide an initial assessment within 30 days. Credible allegations of imminent harm shall receive expedited review.

SEC. 12. ENFORCEMENT AND JUDICIAL REVIEW.

(a) Enforcement Authority. - Each responsible Federal agency may inspect facilities, require records, issue corrective orders, and enforce requirements within its assigned responsibilities.

(b) Civil Penalties. - After notice and an opportunity for a hearing, violations may be subject to penalties of up to \$100,000 per day, adjusted annually for inflation. Knowing falsification or knowing operation without required authorization may be subject to up to \$250,000 per day.

Agencies shall consider seriousness, duration, economic benefit, ability to pay, prior violations, and corrective efforts, and shall coordinate to prevent duplicative penalties for the same conduct.

(c) Suspension. - The Secretary may suspend affected operations for serious or repeated violations after notice and an opportunity to be heard. Temporary emergency orders may issue where necessary to address imminent and substantial danger, subject to prompt review.

(d) Civil Actions. - The Attorney General may seek injunctions, recovery of unpaid obligations, and other appropriate relief.

(e) Citizen Enforcement. - A person suffering or threatened with concrete injury may bring an action in Federal district court to enforce a specific nondiscretionary duty or ongoing violation after 60 days' notice, except where a government agency is diligently prosecuting the same violation.

Courts may award appropriate injunctive relief and reasonable litigation costs. Civil penalties shall be paid to the United States.

(f) Review. - Final agency actions are subject to judicial review under chapter 7 of title 5, United States Code.

SEC. 13. PRESERVATION OF OTHER PROTECTIONS.

Nothing in this Act shall -

1. preempt more protective State, Tribal, or local requirements;
2. compel a local government to approve a land-use application;
3. displace Tribal sovereignty, treaty rights, or consultation obligations;
4. waive another environmental, labor, utility, public-health, or civil-rights law; or
5. authorize duplicative collection of the same attributable infrastructure cost.

SEC. 14. IMPLEMENTATION AND EXISTING FACILITIES.

(a) Rulemaking. - Responsible agencies shall issue implementing regulations within 12 months after enactment.

(b) New Projects. - Certificate requirements shall apply 18 months after enactment to projects that have not commenced substantial permanent construction. Land acquisition, site clearing, or preliminary grading alone shall not establish commencement.

(c) Existing Facilities. - Covered facilities already operating or substantially under construction shall -

1. comply with reporting requirements within 18 months;
2. comply with noise, workforce-planning, and community-contribution requirements within 36 months; and
3. submit a cost-responsibility and financial-assurance compliance plan within 24 months.

Existing facilities shall not be required to relocate structures to satisfy new setbacks.

(d) Existing Agreements. - The Secretary shall require prospective cost protections as soon as lawfully practicable and no later than five years after enactment, including at contract renewal or material expansion. This Act shall not require retroactive collection for electricity already consumed.

(e) Expansions. - New expansion work shall comply with applicable siting requirements. Agencies may assess the entire campus where necessary to evaluate cumulative impacts.

SEC. 15. FUNDING AND PROGRAM EVALUATION.

(a) Fees. - The Secretary may collect reasonable application, inspection, and audit fees from regulated entities sufficient to recover program costs. Fee receipts shall be deposited in a dedicated account and made available through appropriations.

(b) Appropriations. - There are authorized to be appropriated such sums as may be necessary to implement this Act, including startup administration and grants to participating State and Tribal programs.

(c) Evaluation. - Within three years after implementation and every three years thereafter, the Comptroller General shall report to Congress on -

1. effects on household utility costs and infrastructure financing;
2. noise and water outcomes;
3. review times and administrative costs;
4. local employment and training results;
5. community-benefit expenditures; and
6. effects on investment, competition, and facility location.

SEC. 16. SEVERABILITY.

If any provision of this Act, or its application to any person or circumstance, is held invalid, the remainder of this Act and its application to other persons or circumstances shall not be affected.